



## Cost-Transfer Procedures

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### **POLICY BACKGROUND**

A cost-transfer is any adjustment of expenditures to a sponsored project to align costs with the actual benefit received on the sponsored project. To provide the monitoring required by federal regulations (OMB Circulars A-21 and A-110) and to ensure good stewardship of sponsored projects, SFSU will review all cost-transfers for allowability, allocability, reasonableness and proper compliance.

Cost-transfers must be completed within 90 days from the time of the original transaction. A justification and proper documentation must be provided to the Office of Research and Sponsored Programs in order to process the transaction.

### **PROCEDURE**

#### **A. Personnel/Labor Cost Distribution Cost-Transfers**

1. A personnel cost-transfer can be initiated by the following persons:
  - a. PI or designated administrative personnel
  - b. Grants Administrator (GA)
  - c. Personnel Specialist (PS)

*All persons listed above must be copied on the transaction.*
2. PI sends a Labor Cost Distribution change request to the GA and PS, with the following information:
  - a. Name of personnel and payroll month to be transferred
  - b. Justification for the transfer
  - c. Projects to be credited and debited for the charges
3. GA reviews the request.
  - a. Confirms that the transfer is allowable, allocable, and reasonable.
  - b. Ensures that the projects are still active.
  - c. Ensures that adequate funds remain in the receiving project.
4. GA forwards the request to the appropriate PS with the following information:
  - a. PI
  - b. Project numbers (debited and credited)
  - c. Time period of salary transfer
  - d. GA email serves as the approval to process the LCD request
  - e. Estimate of salary and fringe benefits that will be credited and debited to the projects

5. PS processes the Labor Cost Distribution Change Request
  - a. PS generates an LCD Change request form, based on the appointment information contained in the ORSP Personnel Database.
  - b. PS sends a copy of the LCD Change form to the PI for signature, and keeps a copy for ORSP records.
  - c. PI signs and returns the LCD Change Form.
  - d. PS forwards the signed document to the GA.
6. Final ORSP Review
  - a. GA forwards the LCD Change Form to the ORSP Director.
  - b. ORSP Director reviews the LCD Change Form for appropriateness, accuracy, and for proper signatory approval and returns the form to the GA.
  - c. Grants Support Coordinator logs the information into the Document Management System (DMS).
  - d. Grants Support Coordinator sends the LCD Change Form to the Budget Analyst for processing.
7. Budget Department Processing
  - a. Budget Analyst (BA) obtains the LCD change form and reviews the information on the form for accuracy and for ORSP approval.
  - b. BA processes the LCD Change Form in the Human Resources Management System (HRMS).
  - c. BA prints a copy of the LCD for confirmation that the transaction was uploaded successfully.
  - d. BA sends an email to the PS confirming that the LCD change was made.
8. Final Confirmation
  - a. GA and PI runs an LCD report to ensure that the change has posted to the HRMS system
  - b. GA and the PI ensures that the change is also posted in the General Ledger, once payroll charges are posted.

## **B. Reimbursed Release Time (RRT) Cost-Transfers**

**Note: Errors to RRT charges can be identified by the PS, the Fiscal Affairs Accountant, GA, or the PI.**

1. Once an RRT transaction error is identified, GA contacts the PS to initiate a correction.
2. PS verifies that the RRT transaction was incorrectly charged to the project by checking the RRT Agreement.
3. If the RRT transaction was incorrect, the PS generates a revised RRT Agreement with the correct information.
4. PS forwards the revised agreement to the PI for review and signature.
5. PI obtains the appropriate signatures and returns the revised RRT agreement to the PS in ORSP.
6. ORSP Director signs and approves the revised RRT form.
7. Revised RRT agreement is forwarded to Fiscal Affairs.
8. Fiscal Affairs Accountant (FAA) checks for proper approvals, date stamps the RRT form and initials the form.

9. FAA processes the revised RRT.
10. FAA does reverse the incorrect RRT via a journal entry and put the corrected RRT in FMS again through a journal entry.

**C. Non-Personnel Cost-Transfers**

1. The GA receives a copy of the *Journal Entry Adjustment/Transfer Form* by email from the PI or the department administrator when a cost-transfer is requested.
2. GA reviews the Journal Entry Adjustment Form for the following:
  - a. Ensures that the transfer is allowable, allocable, and reasonable.
  - b. Ensures that the projects are still active.
  - c. Ensures that the receiving project has adequate funds.
  - d. Ensures that an appropriate justification has been provided.
  - e. Ensures that the transaction is less than 90 days old.
3. GA reviews the Journal Entry Adjustment Form for accuracy.
4. GA forwards the Journal Entry Adjustment Form to the ORSP Director for review, approval and signature.
5. If the ORSP Director finds that the transfer is not allowable, the form will be returned to the GA to make any changes or contact the PI to correct any deficiencies.
6. ORSP Director returns the approved form to the GA who forwards it to Fiscal Affairs.
7. FAA processes the Journal Entry Adjustment Form.
8. GA ensures that the corrected transaction has posted to the General Ledger.